

**REMARKS**

In response to the restriction requirement set forth in the Office Action mailed July 27, 2005, applicants hereby provisionally elect claims 1-6 for continued examination, with traverse.

The Office Action states that the invention in claims 1-6 and claims 7-14 are related as sub-combinations. Applicants respectfully disagree. The Office Action cites the separate utility that the magnetization direction of the pinned layer is at the specific prescribed angle of 45° relative to the longitudinal direction of the magnetoresistive element. The Office Action further states that the invention recited in claims 7-14 has separate utility by reciting a quartz substrate, X and Y axis GMRs and a second pair of permanent magnetic films. Applicants respectfully disagree that these differences in the recitation of the present invention renders them sub-combinations. The more detailed recitation of the quartz substrate of claim 7 as opposed to the substrate of claim 1, the specific recitation of X and Y axis GMR's in claim 7 as opposed to magnetoresistive element of claim 1, and the second pair of permanent magnet films of claim 7 in addition to the permanent magnet film of claim 1 do not render the invention in claim 7 as a separate sub-combination of the invention recited in Group I.

At best, the invention of Groups I and II may be considered to be related as species. Accordingly, Applicant's have added a new linking claim 18 in which the prescribed angle of claim 1 is the same broad recitation as the prescribed angle in independent claim 7 of Group II.

Applicants respectfully request that new independent claim 18 be considered and Examined as part of provisionally elected Group I and if claim 18 is allowed that Group II, Claims 7-14 be joined in the allowance of generic claim 18.

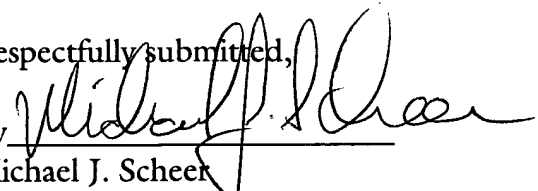
Applicants reserve the right to file one or more divisional applications directed to the subject matter of the non-elected claims.

Consideration and allowance of the application is respectfully solicited.

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Respectfully submitted,

By

  
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